Inland Revenue

Self Assessment — Claim to reduce payments on account

If this box is blank please enter your Tax reference, Employer reference or National Insurance number, from the top right hand corner of your Statement of Account.	Tax reference Employer reference National Insurance number

Inland Revenue office name and address
from the top of your Statement of Account

Please read the notes overleaf before completing this form

Tax year to which this claim relates — *Example, enter the tax year ending 5 April 2001 as* 2000 — 01

Taxpayer's name & address *unless shown above*
Use CAPITAL LETTERS

Full name

Address

Postcode

I believe that

✓

☐ The total Income Tax and Class 4 NIC* payable for the tax year of claim (minus any tax deducted at source) **will be less than** the payments on account based on the previous tax year

or

☐ There will be no Income Tax or Class 4 NIC* due for the tax year of claim

* *Ignore Capital Gains Tax and Student Loan repayments*

My reason(s)

✓

☐ The business profits are down ... ...

☐ Other income has gone down ... ...

☐ The tax allowances and reliefs have gone up

☐ The tax deducted at source is more than in the previous tax year

Other reason *please specify*

I wish to reduce each payment on account for the tax year of claim to £

*Each reduced payment on account should be **half** of the net Income Tax and Class 4 NIC you expect to have to pay for the tax year.*

I understand that

- **if the payments on account finally due are greater than the amounts paid, interest will be charged on the difference**
- **any false information given in connection with this claim may result in financial penalties.**

Signature

Date / /

If form signed by agent please enter the following:

Agent's name

Agent's reference

Agent's telephone number

When you have completed and signed this form send it to your Inland Revenue office.

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Ignore this form if

– *you do not have to make payments on account, or*
– *you do not want to reduce your payments on account, or*
– *you have already made a claim and do not want to revise it.*

Deadline for making a claim

You can claim to reduce your payments on account at any time up to **31 January after the end of the tax year** concerned.

Example
*Payments on account for the tax year **2000-01** are due on 31 January 2001 and 31 July 2001.*
*You can claim to reduce these at any time up to **31 January 2002**.*

You can claim if you believe that your net Income Tax and Class 4 NIC payable for the tax year will be less than for the previous tax year. This could be because

- you expect your income will be lower, or
- your allowances or reliefs will be higher, or
- more of your income will be taxed at source, for example
  – under PAYE, or
  – by subcontractor deductions, or
  – because more of your income will come from savings, such as taxed interest or company dividends.

Which figures to use

Your two payments on account should add up to the **smaller** of

- your estimate of the total Income Tax and Class 4 NIC due for the tax year of claim *(minus any tax deducted at source)*

  and

- the actual total Income Tax and Class 4 NIC due for the previous tax year *(minus any tax deducted at source).*

How to make your claim

- Tick the appropriate box(es) overleaf.
- Make a reasonable estimate, on the basis of the information you have now, of the net Income Tax and Class 4 NIC that you expect to pay for the tax year of claim. Take into account all your sources of income for the tax year.
- Enter **half** of this estimate in the reduced payment on account box overleaf. This is the amount of each of the two payments on account.

  In arriving at the amounts, you should ignore
  – **Capital Gains Tax, and**
  – **Student Loan repayments payable.**

- Please read, sign and date the declaration.

If, before the deadline, you decide you have reduced your payments on account by too little

Make a revised claim on one of these forms or by writing to your Inland Revenue office.

Check that your 31 January and 31 July amounts add up to your new estimate of the total Income Tax and Class 4 NIC due for the tax year of claim *(minus any tax deducted at source).*

If you pay more than you need to I will credit you with interest.

If, before the deadline, you decide you have reduced your payments on account by too much

Make a revised claim on one of these forms or by writing to your Inland Revenue office.

Pay the additional amounts in line with your revised estimate.

If you pay less than you need to I will charge you interest.